

Message Text

LIMITED OFFICIAL USE

PAGE 01 OECD P 31728 121842Z

70

ACTION EUR-25

INFO OCT-01 EA-11 ISO-00 AID-20 CEA-02 CIAE-00 COME-00

EB-11 FRB-02 INR-10 IO-14 NEA-10 NSAE-00 RSC-01

OPIC-12 SPC-03 TRSE-00 CIEP-02 LAB-06 SIL-01 OMB-01

OIC-04 DODE-00 PM-07 H-03 L-03 NSC-10 PA-04 PRS-01

SS-20 USIA-15 ACDA-19 DRC-01 /219 W

----- 110789

R 121645Z DEC 73

FM USMISSION OECD PARIS

TO SECSTATE WASHDC 1366

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

USMISSION EC BRUSSELS

USMISSION USNATO

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 31728 121842Z

USMISSION GENEVA

LIMITED OFFICIAL USE OECD PARIS 31728

DEPT PASS STR

E.O. 11652: N/A

TAGS: ETRD, OECD

SUBJECT: OECD TRADE COMMITTEE WORKING PARTY MEETING ON
GOVERNMENT PURCHASING

1. SUMMARY. WORKING PARTY AT DECEMBER 10-11 MEETING DEVOTED ENTIRE EFFORT TO REVISION OF SECRETARIAT ANNOTED AGENDA (TFD/TD/749) FOR TC MEETING IN FEBRUARY. WP SHARPENED DOCUMENT BY AGREEING ON INCLUSION OF A LIST OF MAJOR UNRESOLVED PROBLEMS TO BE PUT TO TC. MANY US PROPOSALS FOR CLARIFICATION ACCEPTED BY WP FOR INCLUSION IN REVISED TEXT BEING PREPARED BY SECRETARIAT ON BASIS OF DISCUSSION. WP OPTED FOR DELETING ANNEX TO SECRETARIAT DRAFT. WP ALSO NOT DISPOSED TO IMPROVE DRAFT INSTRUMENT ON GOVERNMENT PURCHASING (TC(73)15). EC COUNTRIES ECHOED FAMILIAR STATEMENT ABOUT INABILITY TO DEAL WITH ISSUES UNTIL EC DIRECTIVE APPROVED SOMETIME DURING LATTER PART OF 1974.

2. LIST OF MAJOR UNRESOLVED PROBLEMS FOR TC FOLLOWS, TOGETHER WITH SUMMARY OF WP DISCUSSION ON EACH:

A) ENTITIES: ISSUE IS WHICH PURCHASING ENTITIES WILL BE COVERED BY CODE. THIS WILL BE MOST IMPORTANT FACTOR IN ACHIEVING OVERALL BALANCE. THERE IS GENERAL AGREEMENT THAT ENTITIES COVERED BY CODE WILL BE SUBJECT OF NEGOTIATION.

B) THRESHOLD: ALTHOUGH EC COMMISSION AND MEMBER-STATES SAID THEY WILL NOT BE READY TO DISCUSS VALUE OF THRESHOLD AT TC, WP AGREED WITH US REP (POMERANZ) THAT MAJOR FOCUS OF TC DISCUSSION SHOULD BE ON AMOUNT OF THE THRESHOLD WHICH WOULD APPLY TO ENTIRE INSTRUMENT (US AND OTHERS) RATHER THAN A THRESHOLD WHICH WOULD APPLY ONLY TO PRACTICES AND PROCEDURES (DENMARK AND NORWAY). DESIRABILITY AND MANNER OF APPLYING LATTER UNCLEAR TO US AND MOST OTHER DELS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 31728 121842Z

C) EXCEPTIONS AND DEROGATIONS: WP AGREED TO HAVE TC DISCUSS DEROGATIONS AND EXCEPTIONS TOGETHER, WITH EMPHASIS IN DISCUSSION ON DEROGATIONS. US REP URGED WP NOT TO INCLUDE EXCEPTIONS ON PRIORITY LIST BUT REST OF WP VIEWED EXCEPTIONS AND DEROGATIONS AS ONE SUBJECT. DRAFT CODE CONTAINS AGREED TEXT ON SECURITY EXCEPTION BUT A FEW DELEGATES STILL QUESTION WHY GATT LANGUAGE NOT USED OR

SEEK TO LIMIT EFFECT OF AGREED TEXT. MAJOR PROBLEMS REMAIN IN DEROGATIONS, SPECIFICALLY WHETHER TO HAVE ANY DEROGATIONS AT ALL. UK, PORTUGAL AND SPAIN CONTINUED TO INSIST THAT THERE BE DEROGATIONS. FRENCH REP INSISTED WP REPORT CLARIFY MAIN DIFFERENCE BETWEEN EXCEPTIONS (PERMANENT) AND DEROGATIONS (TEMPORARY) AND THAT FRANCE WOULD PREFER INSTRUMENT NOT HAVE ANY DEROGATIONS. US REP URGED REPORT LIST ALL TYPES OF DEROGATIONS (LDC, REGIONAL POLICY, BALANCE OF PAYMENTS ETC.) RAISED BY WP MEMBERS DURING ALL PREVIOUS WP MEETINGS, RATHER THAN ATTEMPT AN OUTLINE THAT WOULD NOT ILLUMINATE THIS CONTROVERSIAL AREA.

D) SINGLE TENDERING: DISCUSSION REVEALED FOR FIRST TIME QUESTION WHETHER RIGHT TO SINGLE TENDERING FORECLOSED SOME DEGREE OF COMPETITION. US AGREED THAT ITS FORMULATION OF PAR 14 TC(73)15 WOULD NOT FORECLOSE SOME COMPETITION. PROBLEMS REMAIN AS TO AREAS WHERE SINGLE TENDERING MAY BE USED.

E) EX POSTE PUBLICITY OF AWARDS: MAJORITY OF DELEGATIONS CONTINUE TO OPPOSE THIS CONCEPT, STATING THAT THIS PROVISION TOGETHER WITH OTHER PROVISIONS (SUCH AS EX ANTE PUBLICITY AND RIGHT TO PROTEST TO THE PURCHASING ENTITY), DISPROPORTIONATELY FAVOR SUPPLIERS OVER PURCHASING ENTITIES. US TAKES VIEW THAT EX POSTE PUBLICITY IS ONE OF ESSENTIAL GUARANTEES TO SUPPLIERS FOR OBSERVANCE OF THE INSTRUMENT.

3. OTHER ISSUES: WP DEEMED FOLLOWING ISSUES IMPORTANT BUT NOT READY FOR TC DISCUSSION IN FEBRUARY.

A) SURVEILLANCE: MECHANISM FOR INTERNATIONAL CONSULTATION, INCLUDING RESOLUTION OF DISPUTES.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 OECD P 31728 121842Z

B) SUPERVISORY INSTITUTION: INSTITUTIONAL FRAMEWORK OF CODE.

C) PROTESTS AND DISPUTES: PROCEDURES OR GUARANTEES TO ASSURE RECOURSE FOR AGGRIEVED SUPPLIERS TO PURCHASING ENTITY.

D) DISCRIMINATION BETWEEN FOREIGN SUPPLIERS: QUESTION OF APPLICATION OF PRINCIPLE OF NON-DISCRIMINATION IN CASES WHERE NO DOMESTIC SUPPLIER IS CONCERNED; TREATMENT OF NON-ADHERED COUNTRIES MAY ALSO BE CONSIDERED UNDER THIS HEADING.

E) FORM OF AGREEMENT: BINDING CODE?

F) FINAL PROVISIONS: VARIOUS QUESTIONS RELATING TO
IMPLEMENTATION OF CODE.

4. US REP AT OUTSET OF MEETING UNDERScoreD IMPORTANCE OF
GOVERNMENT PROCUREMENT AS HIGHLY-IMPORTANT NTB, AND ADDED
UNLESS WORK ON INSTRUMENT COMPLETED BY CLOSE OF MTN WILL HAVE
ADVERSE IMPACT ON MTN.
SUMMERS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT PROCUREMENT, TRADE, MEETING AGENDA, COMMITTEE MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: hilburpw
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973OECDP31728
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731229/aaaaavjh.tel
Line Count: 178
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: hilburpw
Review Comment: n/a
Review Content Flags:
Review Date: 27 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27-Aug-2001 by garlanwa>; APPROVED <01-Oct-2001 by hilburpw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OECD TRADE COMMITTEE WORKING PARTY MEETING ON GOVERNMENT PURCHASING
TAGS: ETRD, OECD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005